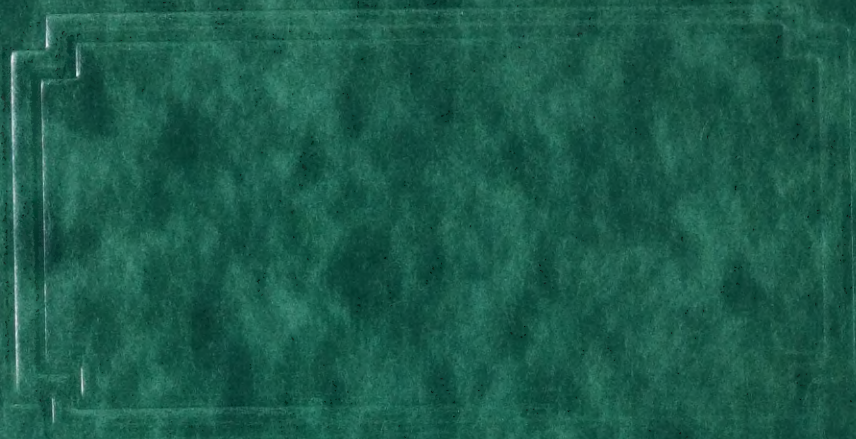


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Canada. Task force on agriculture
[Submission of the government of
New Brunswick to the task force on
agriculture]



CANADA TASK FORCE ON AGRICULTURE
[SUBMISSION OF THE GOVERNMENT OF NEW BRUNSWICK
TO THE TASK FORCE ON AGRICULTURE]

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1. THE PLACE OF AGRICULTURE IN THE NEW BRUNSWICK ECONOMY

The economy of New Brunswick is based to a large extent on its Natural Resources. However, in recent years manufacturing, construction and mining have been of increasing importance.

For 1966 the estimated gross provincial product for New Brunswick was \$1,100,000,000.00. For that year, primary agriculture accounted for 3% of the C. P. P. and the manufacturing industries based on primary agriculture added another 3%. In other words, both the primary and secondary agricultural industries made up 6% of the gross provincial product.

Another method of assessing the value of agriculture in the provincial economy is relating its net value of production to other commodity producing industries. Using this basis, the primary and secondary agricultural industries contribute 14% out of a total of \$497,000,000.00.

The following table shows the net value of production in the Province (i.e., the value added by production after the elimination of the value of the commodities and services consumed in production, including materials, labor, processing supplies, fuel and purchased electricity) for the years 1962-66 segregated according to principal sectors of the economy (excluding, however, the services sectors):

(in thousands of dollars)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
* Agriculture	\$ 23,893	23,355	29,500	40,500	34,000
Forestry	25,189	38,307	50,000	45,000	52,000
Fisheries	9,223	9,353	10,300	10,500	11,500
Trapping	167	221	159	254	250
Mining	9,062	11,666	22,000	34,000	37,000
Electric power	23,422	24,473	26,000	29,500	32,000
Manufacturing	160,455	169,640	189,000	188,000	195,000
Construction	77,717	77,617	101,000	127,000	135,000
TOTAL	\$329,108	354,632	427,959	474,754	496,750

THE STATE OF AGRICULTURE IN THE NEW PROVINCES REPORT

The economy of New Brunswick is based to a large extent on its natural resources. However, in recent years manufacturing, construction and mining have been of increasing importance.

For 1965 the estimated gross provincial product for New Brunswick was \$1,150,000,000. For 1964, primary industries contributed for 15 of the 27, and the manufacturing industries based on primary agriculture added another 12. In other words, both the primary and secondary agricultural industries made up 27 of the gross provincial product.

Another method of assessing the value of agriculture in the provincial economy is relating its net value of production to other non-agricultural industries. Using this basis, the primary and secondary agricultural industries contribute 15 out of a total of \$1,150,000,000.

The following table shows the net value of production in the Province (i.e., the value added by production after the elimination of the value of the commodities and services consumed in production, including materials, labor, processing supplies, fuel and purchased electricity) for the years 1965-66 segregated according to principal sectors of the economy (excluding, however, the services sector):

	1965	1964	1963	1962	1961
Agriculture	23,883	23,785	22,500	20,500	24,000
Forestry	23,183	28,307	30,000	27,000	25,000
Fishing	8,423	9,883	10,300	10,500	11,300
Trapping	187	212	222	254	250
Mining	4,082	11,445	22,000	26,000	37,000
Electric power	20,102	26,622	26,000	25,500	25,000
Manufacturing	147,412	166,640	180,000	185,000	175,000
Construction	17,717	27,617	120,000	125,000	125,000
TOTAL	259,109	354,622	427,000	474,754	454,750

*Sources: Publications of the Dominion Bureau of Statistics (1962 and 1963); publication of the Office of the Economic Advisor of the Province of New Brunswick (1964 and 1965); unpublished estimates of the Office of the Economic Advisor of the Province of New Brunswick (1966).

The number of persons employed in the primary agricultural sector in 1966 was 12,000. This compares to 25,500 employed in manufacturing activities during the same year in New Brunswick. Thus in the province, agriculture is still quite an important source of employment.

2. PUBLIC POLICIES AND THEIR EFFECT ON AGRICULTURAL PRODUCTIVITY

(a) Credit: Government Credit Agencies, both Federal and Provincial, have been assisting farmers and settlers to become established in New Brunswick. However, it is only in recent years, as these agencies increased their maximum borrowing limits, that farmers have started to take advantage of farm credit to any significant extent.

In July 1966, the New Brunswick Farm Adjustment Board was established with broad powers for consolidating and leasing farms as well as providing intermediate and long term credit. From July 1, 1966 to February 8, 1968, the Board made 218 loans totalling \$1,980,945.10 for the purchase of farms, farm land, livestock, machinery, and for the construction of farm buildings. During the same period the Board purchased 88 farm properties valued at \$609,765.95 for lease to farm operators.

For the five year period April 1, 1961 to March 31, 1966, the Farm Credit Corporation approved 448 farm loans, amounting to \$5,373,100.00 to New Brunswick farmers. Of this amount \$1,144,818.00 was disbursed to 75 farm operators during the fiscal year ending March 31, 1966.

In New Brunswick, farm credit agencies have supported the trend to larger more viable farm units, and this is borne out by the fact that the number of farms with gross sales exceeding \$10,000.00 per annum increased 56% from 597 in 1961 to 934 in 1966. This has taken place in spite of the fact there has been a 26% decrease in the total number of farms during the same period. It appears that these credit programs have played a

significant role in developing commercial farm units in New Brunswick.

(b) Market Programs: Marketing policy has been developed through the years as a means to increasing production and improving quality and also in an effort to keeping marketing costs at a minimum. The New Brunswick Department of Agriculture has always encouraged and supported organized marketing with legislation and extension programs. For example, through efforts of the N. B. Hog Marketing Board, which was established in 1951, producers have been receiving hog prices equal to those on the Montreal Market.

In more recent years, the sponsoring of community livestock auction sales has provided a market for livestock at prices more in line with outside markets. For the fiscal year ending March 31, 1967, 49.8% of the market cattle and 67.8% of the market calves sold through livestock auctions, brought returns to the farmers equal to or higher than the Montreal price.

The N. B. Dairy Products Commission which is responsible for regulations on production, processing and distribution of fluid milk products has done much to stabilize the dairy industry in the Province. The N. B. Cream Producers Marketing Board and the N. B. Cheese Board have been effective in the promotion of butter and cheese over a period of years.

(c) Financial Grants: Recent experience in New Brunswick has indicated that capital grants are an effective incentive to producers in making necessary adjustments to larger and more efficient units, and therefore, complement existing credit programs. Examples of such grants to producers are illustrated in the following two policies:

(1) Since 1962 the Department of Agriculture has been making grants to farmers to assist with the purchase and installation of irrigation systems. A total of 92 systems have been installed under the policy to irrigate about 1,200 acres of crop land. Of this total, 78 units have been installed since 1965 when the maximum grant was increased from \$400.00 to \$800.00. This policy has increased both production per acre and the number of acres planted to

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specialty crops and has brought droughty or otherwise marginal land into useful production.

(2) In 1966-67, a policy was instituted whereby hog producers were given grants to assist in the construction of hog buildings and facilities. The grants covered 30% of construction costs up to a maximum of \$4,000.00 per applicant. A total of 78 applications were approved and the average grant was just under \$3,100.00. This policy has contributed to the recent increase in New Brunswick hog production. The number of hogs marketed through inspected plants in 1967 was up 36.8% over 1966 and for the first eight weeks of 1968, the number marketed is up 51.6% over the same period in 1967. New buildings and facilities when in full operation will have potential to more than double present New Brunswick hog production.

(d) Extension: A broad extension program representing all branches of the Department has always played, and continues to play an important role in promoting agricultural policies and recommendations. Extension personnel have done an effective job in advising commercial farmers and keeping them up to date on technological changes.

Farmers have always depended on government extension services as an important source of agricultural information. As the trend to larger farm units continues and the importance of farm record keeping and management is realized, New Brunswick farmers become more dependent on extension workers for advice and guidance.

(e) Research: Public agricultural research in Canada has been primarily a function of the Federal Government since the Dominion Experimental Farm system was established in 1885. The wide range of investigational and experimental work that has been carried out in all sectors of agriculture has contributed to many changes and advances that have taken place in agricultural technology.

The advances made in livestock improvement; the development of more acceptable varieties of horticultural and field crops; the progress in disease and insect control in both plants and animals; the trends in agricultural machinery and farm buildings; the results of improved marketing and processing techniques and the many other benefits of scientific research have made a contribution to more efficient agricultural production in New Brunswick.

(f) Federal Policy: A number of Federal policies have been prominent in New Brunswick agriculture over the years.

(1) Feed Freight Assistance - The feed-freight assistance policy, introduced during World War II as an emergency measure, has been maintained until the present to provide western grains at competitive prices to eastern livestock feeders. This policy has helped maintain the livestock industry and has assisted in increasing the production of poultry products in the Province. If this assistance program had been discontinued following the War or at any time during the intervening period, our livestock industry would have been seriously affected. In spite of accelerated programs to produce cheaper grain and forage, the Province is still heavily dependent on western grains to meet its feed requirements.

(2) ARDA: Positive approaches have been made through ARDA for comprehensive rural development in New Brunswick. The use of ARDA funds towards programs of farm consolidation, resource inventory, land improvements, alternate land use, capital grants, and research projects is laying a solid base for increased agricultural production.

3. ADJUSTMENTS IN RURAL NEW BRUNSWICK

The most obvious change over the period 1951-66 has been the decline in the number of farms in the province. In 1951 there were 26,431 and by 1966 the number had declined to 8,706. It should be pointed out, however, that some of this decrease was due to the change in census definition of

a farm. However, these statistics clearly indicate a substantial change in our rural areas over this period.

In spite of the significant decrease in farm numbers the volume of agricultural production has remained relatively stable. It is expected that the total number of farms will continue to decrease in New Brunswick, but on the other hand, there will likely be a substantial expansion in the number of farms with gross incomes of over \$10,000.00 per year.

Along with the decrease in number of farms there has been a corresponding decline in farm population. In both cases the reduction is somewhat larger in New Brunswick than in Canada as a whole. The proportion of total population which lived on farms was shown in census reports as follows:

<u>Year</u>	<u>Canada</u>	<u>New Brunswick</u>
1941	27.4%	35.8%
1951	20.8%	29.1%
1956	16.3%	22.7%
1961	11.4%	10.4%
1966	9.8%	8.4%

Only recently policies have been developed to significantly aid in this adjustment process. The Farm Adjustment Act was passed by the New Brunswick Legislature in 1966 to provide financing and land leasing arrangements to qualified farmers for the establishment of economic farm units. In addition, the credit policies of the Farm Credit Corporation have also assisted to an extent in the organization of commercial farms in the province.

In Northeast New Brunswick concentrated efforts will be made in the next few years through programs under the Agricultural Rehabilitation & Development Act (FRED program) to assist in rural adjustment. This program provides for the development of commercial farms on the one hand, and on the other, training and mobility policies to assist people in getting jobs other than the in agricultural producing sector.

The objective of the agricultural program in this area is to rationalize and develop agricultural land and thereby increasing its productivity, to

assist in the development of economic farm units and further to employ productively up to 200 farm operators.

At the present time there are approximately 1,150 census farms in the area. The process of adjustment will involve the following three phases: (See attached copy of Northeast New Brunswick Agricultural Development program).

- (1) Land acquisition, consolidation and improvement;
- (2) Grants for construction and improvement of buildings;
- (3) Provision of special farm management advisory services.

4. COMPONENTS OF AGRICULTURE

Commercial farms in New Brunswick are becoming more specialized to the degree that there is usually only one or possibly two complementary enterprises involved. The major farm enterprises are briefly outlined below and are listed in the order that each contributes to total farm cash receipts which in 1966 amounted to \$54,473,000.00.

(a) Potatoes: In recent years the production of potatoes has accounted for about 27% of total farm cash receipts. The contribution in 1965 exceeded 40% which is a reflection on above average prices received for potatoes that year. For the most part, potatoes are mainly produced in the Upper Saint John River Valley and farms in that area are rapidly becoming more specialized as capital is substituted for labour. Acreage of potatoes increased from 42,700 in 1952 to a high of 65,000 in 1966. However, acreage declined in 1967 to 62,000.

(b) Dairying: The sale of dairy products from New Brunswick farms normally accounts for 20-25% of total farm cash receipts and in 1966 amounted to \$11.5 million. There are about 5,500 farmers producing dairy products of which a high percentage are classed as cream shippers operating on a relatively small scale. Since the 1966 census of Agriculture indicates that the total number of census farms in the province is 8,706, it follows that dairying is the most common farm enterprise.

(c) Cattle and Calves: Sales of cattle and calves on the average account for about 15% of total farm cash receipts. Cattle numbers in total seem to have stabilized somewhat during 1967 after a continuous pattern of decrease during recent years. Income has been increasing which can be attributed in part to dairy producers converting to beef production and to the use of beef sires in dairy herds. The number of large scale beef farms operating in the province is not significant.

(d) Poultry and Egg Production: New Brunswick's poultry industry has maintained a steady growth over recent years as evidenced by farm cash receipts from poultry and eggs in 1966 of \$7,104,000.00 compared to receipts of \$4,936,000.00 in 1962. Broiler production is responsible for much of this increase with receipts of \$3,161,000.00 in 1966, compared to \$1,409,000.00 in 1962. Income from poultry production represents on the average 13% of the total farm income.

Poultry farming whether for the production of meat or eggs, has changed from small farm flocks of a few hundred birds to much larger, more efficient units with varying degrees of automation. Flock sizes vary from twelve to thirty thousand broilers and four to four and one half flocks are usually grown per year. The majority of broilers produced in the province are grown under contract with the processing plants, but the farmers themselves maintain ownership. Broilers grown on New Brunswick farms in 1964 totalled 1,294,000 compared to 2,969,000 in 1967 and thirty-four farmers were involved in this production.

A comparatively recent trend in egg production has been the swing from a combination litter and slat type building to the use of laying cages. The newest type of building is a deep-pit cage house. Size of such units varies from 9,000 to 16,000 layer capacity, with birds maintained in triple-deck cages.

(e) Hog Production: Hog numbers on New Brunswick farms have declined over the years and reached a low of 34,000 in 1965. However, during the past two years, numbers have increased and 45,000 hogs were recorded in the DES December, 1967 survey. During the two year period, increased capital inputs in the form of improved swine housing facilities

has resulted in a large percentage of the total hog production now being located in units of commercial scale. Commercial marketings of hogs in the province at October 31, 1967 showed an increase of approximately 35% over that recorded the previous year. Relatively strong hog prices received in 1966 together with the Hog Building Assistance Policy and the emphasis on more home grown grains have prompted this increase in hog numbers in the province over the past year.

(f) Fruits and Vegetables: The total area planted in commercial apple orchards in the province is 3,300 acres and production in 1966 was 450,000 bushels. About 15% of the crop is exported to markets outside of the province.

Strawberry acreage has increased in recent years and 1966 production was 1,300,000 quarts. A definite trend is noted toward expanding to economic units with this enterprise. Export markets are necessary and strawberries are being sold successfully in eastern United States.

Aside from the normal distribution of vegetables grown for the fresh market, considerable acreages of beans, brocolli, brussels sprouts, peas, cucumbers and tomatoes are grown for processing and the fresh frozen food trade. A very sizeable percentage of the annual potato crop is also used in the processing industry.

(g) Field Crops (excluding potatoes): For the most part, when potatoes are excluded, all other field crops are grown for farm use within the province. A trend to more barley and silage corn production is evident. Farmers are becoming more conscious of the value in producing quality forage and also the need to produce more of their total feed requirements on the farm.

5. PROBLEMS IN NEW BRUNSWICK AGRICULTURE

The major problem facing New Brunswick farmers is the low average return per farm. During 1966 the net income per farm was \$2,420.00, however, it should be pointed out that this was a relatively good year due to high potato prices. For example, in 1961 the net return per farm was only \$1,040.00.

Factors responsible for this low income situation are in the areas of scale, marketing, soil capability, transportation, financing and attitudes concerning the use of new technology.

(a) Scale: The problem of the small farm operation is a very acute one in New Brunswick. These farms which in many cases are considered to be full time farms, do not supply the operator with an income sufficient to provide the family with an adequate standard of living. Indicators of scale discussed below are: annual gross sales, physical size, and average capital investment.

(1) The 1966 census of Agriculture recorded 8,706 census farms with the following distribution by economic class.

<u>No. of Farms</u>	<u>Annual gross sales</u>
934	over \$10,000.00
2,004	\$ 2,500.00 - 9,999.00
5,751	\$ 50.00 - 2,400.00
<u>17</u>	Institutional Farms
TOTAL	8,706

If one assumes that farms having an annual gross income under \$10,000.00 are not economic units, then there are probably over 7,500 farms in the province which are marginal or sub-marginal in nature. Many of these operations are disappearing each year and the resources either retired from agriculture or consolidated into larger producing units.

(2) Physical Size: In 1966 the improved land per farm in New Brunswick was only 73 acres and approximately 62% had less than 73 acres per farm unit. Another measurement of size is cattle numbers per farm. For example, in 1966 the number of cows per farm was only 10 for those units reporting cattle.

(3) Capital Investment: The average capital investment per farm in 1966 was \$17,000.00. It is estimated that only 10% of the farms have a capital investment exceeding \$30,000.00.

(b) Marketing: The problems associated with the marketing of agricultural products produced by New Brunswick farmers tend to exert a disadvantageous influence on net farm income. Although it is stated by

some, that most so called marketing problems are due to high production costs and comparative disadvantage, there are definite problems and pressures within the market framework.

There are disadvantages associated with transportation which affect New Brunswick markets but these will be discussed in a separate section.

There is a lack of adequate facilities for processing, grading and packaging for many of the products produced. The reason for this shortage may be partially explained by the fact that the volume of product produced is relatively small and scattered. This condition makes collection and any central handling difficult and also adds to marketing costs. Markets could be located for most products if larger and more continuous supplies could be offered. This suggests that production of specific commodities should be more centralized, located on larger units and that additional marketing agencies and supporting services are required. This need is probably more urgent in regard to developing markets outside the province such as central Canada, Eastern U. S. A. and Europe.

Additional processing facilities are required with respect to potatoes, other cash crops and dairy products. Without this, it is difficult for producers to expand their operations to a more optimum size and perhaps even more important to maintain quality in the market place.

The problems of marketing as outlined above can be applied to specific commodities such as potatoes and dairy products.

(1) Potatoes: New Brunswick is one of the larger potato producing provinces in Canada with over 62,000 acres in production in 1967. The crop is marketed in one form or another in countries throughout the world. The producers have responded to competitive pressures by expanding their units and adopting such new technology as fertilizers, recommended varieties, storage and automation. It would appear that they have a comparative production advantage. However, the markets are quite distant and costly to service.



One major problem at this point and certainly for any further expansion of the industry is insufficient processing facilities. At present only about 25% of the crop is used for processing. This places a strain on maintaining the quality of potatoes for the table trade. There should also be more organization among the producers as far as marketing and control is concerned.

(2) Dairying: About 5,500 or over 60% of all farms in the province produce dairy products. In 1967, 790 farmers shipped milk for fluid purposes and most of the remainder might be classed as cream shippers, the majority of which operate on small, relatively marginal units. The following table indicates the manner of disposition of total milk supply.

Year	Total Prod. 000 lbs.	% Manufacturing	% Fluid	% Other
1964	963,512	47.4	41.6	11.0
1965	350,019	44.6	45.0	10.4
1966	331,730	41.8	47.8	10.4
1967 (est)	319,000	40.1	49.5	10.4

In 1966 81.8% of milk used in manufacturing went into butter, and the 1967 estimate is about 80.0%.

Under present marketing methods (e.g. milk quotas) the future for larger fluid milk producers seems relatively secure. With quotas only averaging 2,959 pounds per week, some adjustments are even necessary among fluid shippers. However, there is a very rapid decline in the number of cream producers which is having a direct effect on the supply to the plants. As producers go out of business, the costs of collecting cream from the remainder increases. The net effect is that supply is so low that creameries are ceasing operations which leaves these producers without a market for their product.

This leads to the suggestion that reorganization of milk processing is necessary. A central processing plant with bulk milk collection in fluid form may be desirable. This would allow those dairymen interested in expansion the opportunity to do so at least from a market standpoint. Associated with such an adjustment, however, is the need for lowering

farm production costs. The problems facing both the producer and the plants are fundamentally inseparable.

A complete assessment of the marketing framework is required for most commodities.

(c) Transportation: Factors involved with transportation are closely allied to marketing and production costs. Any problem within the area of transportation has an adverse effect on net farm income.

Due to the fact that New Brunswick is located on the eastern seaboard, transportation costs of servicing markets to the west tend to place producers at a disadvantage. Markets within the province or in fact the Maritimes are limited, and even the local transportation network and facilities inflict some inefficiencies and therefore additional costs. Many of the farm inputs such as feed grains, machinery, building supplies, etc. have to be transported from central or western Canada at great cost to producers.

(d) Financing: Farmers in general require substantial amounts of credit. It appears that long-term credit needs are being adequately met at present mainly through public credit agencies operating within the province. It does appear, however, that there is a need for additional sources of both intermediate and short term credit, especially the latter. Short term operating capital has been obtained traditionally from banks and farm supply firms. However, it is not easily obtained in the amounts required or on rational terms especially for the purpose of expansion and development of the land resource. In order to grow some commodities, large capital inputs are required to build up the productive capacity of the land to the point of economic production. In such cases, income is delayed and immediate repayment extremely difficult when getting the enterprise started.

Public policy to assist in filling this void in desirable instances may be necessary. Often, no advantage can be gained in growing certain specialty crops for this reason.

(e) Attitudes: Another problem which in many instances has an adverse effect on farm income, is farmer attitude toward the adoption of new and desirable technology. Many farmers are resistant to change and hesitate to make adjustments requiring capital outlay until forced to do so by their competition. By this time, it is frequently too late to benefit from the advantage. A change in management on our farms may be necessary to overcome this problem. Such a change could be encouraged by more aggressive extension farm management programs and possibly through formal management training courses.

(f) Land Capability: The majority of successful farm operations in New Brunswick, particularly those types of enterprise which are classified as land-based, are located in areas of high soil capability. However, a large percentage of the land presently used for agriculture is of low capability because of natural physical characteristics. These are podzol soils which are naturally infertile, acid, and may also suffer from imperfect drainage, excessive stoniness, severe topography and poor land organization.

The limited amount of good agricultural land and the high cost of carrying out land improvements to increase soil capability is a basic problem in the development of a more viable agricultural industry. Experience has shown that costs ranging from \$200.00 - \$500.00 per acre can be expended to carry out desirable land improvements, including drainage, initial lime and fertilizer inputs, clearing and brush control, removal of stones and fence rows, land levelling and field enlargement.

The apparent lack of planning and a lag in soil studies and mapping until recent years has had a detrimental effect on agricultural development in the province. When the province was first settled and even as late as World War II large areas of land were opened up for agriculture which were unsuitable because of their topography, stoniness, isolation, climate and other unfavorable physical characteristics. This policy not only resulted in a tremendous waste of physical resources, but now compounds the problem of resource adjustment.

According to the 1966 census there are 639,000 acres of improved farm land in New Brunswick. This is only 39% of the total land in farms. It is realized however, that a large percentage of the balance of farm holdings is in forest for which the land capability may be equal to or better than that for agriculture use.

6. PROPOSED OBJECTIVES FOR THE AGRICULTURAL INDUSTRY IN NEW BRUNSWICK

At the present time the New Brunswick Department of Agriculture and Rural Development has several programs designed to encourage the establishment of more economic farm units. For these programs, an economic unit is one which will provide the farmer and his family with a net farm income of at least \$2,500.00 to \$3,000.00 annually. Under New Brunswick conditions this means a dairy farm with a gross income of over \$10,000.00 and an investment of \$30,000.00. For a specialized potato farm 90 to 100 acres would be required for an annual net return of \$2,500.00 to \$5,000.00.

It is estimated that only 15% of the farms in the province have an annual net income exceeding \$2,500.00. In other words, there are only 1290 farms in this category. With an effective program of farm consolidation and enlargement, land improvement, credit, marketing research and extension it should be possible to reach an objective of 2,500 to 3,000 economic farm units within the next decade. It would be expected that many of these farms would have gross sales of \$50,000.00 per year.

D. W. Carr & Associates in a recent study, "Maritime Agriculture A Comparative Regional Analysis", prepared for the Atlantic Development Board states: "Thus, the evidence indicates a sharp decline in Maritime Agriculture over the decade 1967 to 1977 and, in the course of this decline, a major redirection of farming away from the very small scale enterprises that have been the hallmark of past farming. By the latter year, the numbers of farms and farmers may be expected to decline to probably half their level in the 1961 census . . . conversely farming may be expected to continue to shift toward larger-scale enterprises. This shift was well advanced by 1967 and the large enterprises, though few, were already producing more than 75% of the farm products marketed. Yet it should not be concluded that Maritime Agriculture has been changing and declining

that its future holds little promise. There is good evidence that farming has a substantial future in the Maritime provinces. At the same time, future farming must be satisfactorily profitable if it is to remain a strong industry."

7. FUTURE PUBLIC POLICIES REQUIRED

In order to achieve an objective of 3,000 economic farm units with gross annual incomes of \$10,000.00 to \$50,000.00 certain changes will be required in present public policies. Such policies and programs need to be adapted to the changing conditions in Agriculture. In New Brunswick considerable progress has been made in utilizing new technology but many old attitudes, policies and programs still persist.

Future policy must be designed to encourage the development of farm enterprises which are most profitable under New Brunswick conditions. In this connection, the D. W. Carr report on the Potential of Maritime Agriculture states: "A review of the enterprise analysis and the agricultural outlook for the three Maritime provinces indicates that, over the next decade or two, the enterprises with the greatest profitability and potential are likely to be the optimum-scale, specialized enterprises producing potatoes, tree fruits, hogs, fluid milk, poultry products and greenhouse products. Potatoes and tree fruits have already established themselves in competitive export markets and may thus have the greatest scope for the future expansion.

Processing vegetables, strawberries, blueberries and possibly feed grain offer good opportunities as supplementary or complementary enterprises. They are recommended for supplementary-complementary enterprises because their labour requirements tend to be quite seasonal, risks may be excessive as a specialized enterprise, and benefits from joint use of labour, machinery, fertilizers, and other inputs may be substantial."

Special emphasis must be placed on an adequate supply of short, intermediate and long term credit. Along with the credit program, additional funds are essential for soil and water conservation; farm consolidation, and enlargement; land improvements; capital grants for farm buildings and storage facilities. It is suggested that a capital grants program for

buildings should be limited to a five year period. With this time limit, the adjustment to more efficient farm buildings would be accelerated. It is strongly recommended that the Storage Construction Grants program announced by the Honourable J. J. Green on July 12, 1967, should be implemented as soon as possible because central storage and grading facilities are urgently needed in the potato growing areas of the Province.

Potatoes continue to be the major cash crop in the Province, but growers have serious problems in marketing this crop. Marketing programs for table stock potatoes have not kept pace with production technology and market demands. New policies and legislation are required to improve this situation.

At the present time the New Brunswick Department of Agriculture and Rural Development has 30 programs which are designed to assist in the development of viable farm units together with the improvement of efficiency in food production. The total estimated expenditures for the fiscal year ending March 31, 1969 are \$5,626,285.00. The expenditures by individual programs are as follows:

<u>No.</u>	<u>Program</u>	<u>Expenditures</u>
1	Farm Cons. & Enlargement	625,555
2	Farm Credit	2,070,498
3	Fin. Assistance on Farm Credit Corp. Loans	200,000
4	Farm Management Extension	22,165
5	Farm Accounting Service	11,082
6	Special Projects	22,341
7	Extension Education	126,392
8	Policy and Program Use	126,393
9	Adult Education	10,020
10	Agricultural Education	20,000
11	4-H Agricultural Clubs	65,294
12	Agr. Products Promotion	7,923

<u>No.</u>	<u>Program</u>	<u>Expenditures</u>
13	Adm. of Dairy Prod. Act	51,469
14	Marketing Bds. for Nat. Prods.	4,000
15	Agricultural Manpower	6,602
16	Vet. Service to Livestock Owners	454,621
17	Efficient Livestock Prod.	211,208
18	Marketing, Processing & Mfg. of Livestock and L. S. Products	99,747
19	Livestock Compensation	7,000
20	Poultry Production	69,960
21	Potato Products Promotion and Marketing Services	205,997
22	Plant Protection Service	28,700
23	Field Husbandry Services	282,672
24	Horticultural Services	127,284
25	Soil Testing Service	43,323
26	Soil and Water Conservation	449,679
27	Farm Bldg. & Work Study	71,994
28	Marshland Development	132,866
29	Community Pastures	71,500
	Sub-total	<hr/> \$ 5,626,285 <hr/>

The Department feels that these annual expenditures are not adequate to achieve the objective of 3,000 viable farm units within the next decade.

Therefore, a substantial increase in Federal and Provincial Government loans and expenditures will be required over the next 10 years to establish the agricultural industry in New Brunswick on a sound economic basis.

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